



**CITY OF ROANOKE**  
**DEPARTMENT OF FINANCE**

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December 19, 2005

Honorable C. Nelson Harris, Mayor  
Honorable Beverly T Fitzpatrick, Jr., Vice Mayor  
Honorable M. Rupert Cutler, Council Member  
Honorable Alfred T. Dowe, Jr., Council Member  
Honorable Sherman P. Lea, Council Member  
Honorable Brenda L. McDaniel, Council Member  
Honorable Brian J. Wishneff Council Member

Dear Mayor Harris and Members of City Council:

**Subject: Authorization to Issue Bond Anticipation Notes**

City Council adopted Resolution 36643 in March 2004 authorizing the issuance of \$5,500,000 of Qualified Redevelopment Bonds to fund property acquisition in the South Jefferson redevelopment project. These bonds will be included in our upcoming bond sale, to be closed on February 8, 2006. These funds were expended on December 15, 2005 and will be reimbursed from bond proceeds. As we have previously discussed with Council, we have planned to issue up to \$15,000,000 in Bond Anticipation Notes (BANS) to provide cash flow and liquidity for projects included in the upcoming bond issue. The resolution authorizing issuance of these particular bonds didn't include authorization to issue BANS, if needed, as is typically included in our bond resolutions.

We recommend City Council adopt the accompanying resolution authorizing the Director of Finance and City Manager to issue up to \$5,500,000 in Bond Anticipation Notes to be reimbursed from bond proceeds from the upcoming bond sale.

Sincerely,

A handwritten signature in cursive script that reads "Jesse A. Hall".

Jesse A. Hall  
Director of Finance

JAH:ca

c: Darlene L. Burcham, City Manager  
Mary F. Parker, City Clerk  
William M. Hackworth, City Attorney

**IN THE COUNCIL OF THE CITY OF ROANOKE, VIRGINIA**

**A RESOLUTION AUTHORIZING THE SALE OF NOT TO EXCEED FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$5,500,000) PRINCIPAL AMOUNT GENERAL OBLIGATIONS OF THE CITY OF ROANOKE, VIRGINIA, IN THE FORM OF GENERAL OBLIGATION BOND ANTICIPATION NOTES, SERIES 2005, OF SUCH CITY, THE PROCEEDS OF WHICH ARE TO BE GRANTED BY THE CITY TO THE ROANOKE REDEVELOPMENT AND HOUSING AUTHORITY FOR THE PURPOSE OF ASSISTING SUCH AUTHORITY IN PAYING A PORTION OF THE COSTS OF A REDEVELOPMENT PROJECT IN THE CITY KNOWN AS THE SOUTH JEFFERSON REDEVELOPMENT AREA PROJECT; DELEGATING TO THE CITY MANAGER AND THE DIRECTOR OF FINANCE CERTAIN POWERS WITH RESPECT TO THE SALE AND THE DETERMINATION OF THE DETAILS OF SUCH NOTES AND THE BONDS IN ANTICIPATION OF WHICH SUCH NOTES ARE BEING ISSUED, SOLD AND DELIVERED, AND OTHERWISE PROVIDING WITH RESPECT TO THE ISSUANCE, SALE AND DELIVERY OF SUCH NOTES AND BONDS**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ROANOKE, VIRGINIA:

SECTION 1. The Council (the "Council") of the City of Roanoke, Virginia (the "City"), hereby finds and determines as follows:

(a) On March 15, 2004, the Council adopted Resolution No. 36643-031504 (the "Authorizing Resolution"), authorizing the issuance of \$5,500,000 principal amount of general obligations of the City, in the form of General Obligation Public Improvement Bonds of the City, the proceeds of which are to be granted by the City to the Roanoke Redevelopment and Housing Authority (the "Authority") for the purpose of assisting the Authority in paying a portion of the costs of a redevelopment project in the City (the "Project") in an area known as the South Jefferson Redevelopment Project (the "Project Area"), and authorizing the issuance of a like principal amount of General Obligation Public Improvement Bond Anticipation Notes in anticipation of the issuance of such Bonds.

(b) The Council has determined to authorize the sale of not to exceed \$5,500,000 principal amount of the General Obligation Public Improvement Bond Anticipation Notes, Series 2005 (the "Notes"), pursuant to and in accordance with the provisions of the Authorizing Resolution, and to delegate to the City Manager and the Director of Finance certain powers with respect to the sale and the determination of the details of the Notes.

(c) The Council has further determined to authorize the sale of not to exceed \$5,500,000 principal amount of the General Obligation Public Improvement Bonds (the "Bonds"), in anticipation of which the Notes are being issued, pursuant to and in accordance with the provisions of the Authorizing Resolution, and to delegate to the City Manager and the Director of Finance certain powers with respect to the sale and the determination of the details of the Bonds.

SECTION 2. (a) The Notes shall be sold at negotiated sale on such date and at such price as shall be determined by the City Manager and the Director of Finance. The City Manager and the Director of Finance, without further action of this Council, (i) are hereby authorized to determine the dated date of the Notes, the date the Notes shall mature, the dates on which interest on the Notes shall be payable, the aggregate principal amount of the Notes and the principal amount of the Notes maturing in each year, and (ii) are hereby further authorized to sell the Notes at negotiated sale to such purchaser or purchasers as shall be selected by the City Manager and the Director of Finance and to fix the rates of interest to be borne by the Notes of each maturity; *provided, however*, in no event shall the true interest cost with respect to the Notes exceed seven percent (7.00%). The City Manager and the Director of Finance are hereby authorized to determine the provisions relating to the redemption of the Bonds upon the advice of the City's financial advisor; *provided, however*, in no event shall any redemption premium payable by the City exceed two percent (2.00%).

(b) The Notes shall be issued in accordance with the provisions of the Authorizing Resolution and this Resolution.

(c) All actions and proceedings heretofore taken by this Council, the City Manager, the Director of Finance and the other officers, employees, agents and attorneys of and for the City in connection with the issuance and sale of the Notes are hereby ratified and confirmed.

SECTION 3. (a) The Bonds shall be sold at competitive or negotiated sale on such date and at such price as shall be determined by the City Manager and the Director of Finance. The City Manager and the Director of Finance, without further action of this Council, (i) are hereby authorized to determine the dated date of the Bonds, the date the Bonds shall mature, the dates on which interest on the Bonds shall be payable, the aggregate principal amount of the Bonds and the principal amount of the Bonds maturing in each year, and (ii) are hereby further authorized to sell the Bonds at negotiated sale to such purchaser or purchasers as shall be selected by the City Manager and the Director of Finance and to fix the rates of interest to be borne by the Bonds of each maturity; *provided, however*, in no event shall the true interest cost with respect to the Bonds exceed seven percent (7.00%). The City Manager and the Director of Finance are hereby authorized to determine the provisions relating to the redemption of the Bonds upon the advice of the City's financial advisor; *provided, however*, in no event shall any redemption premium payable by the City exceed two percent (2.00%).

(b) The Bonds shall be issued in accordance with the provisions of the Authorizing Resolution and this Resolution.

(c) All actions and proceedings heretofore taken by this Council, the City Manager, the Director of Finance and the other officers, employees, agents and attorneys of and

for the City in connection with the issuance and sale of the Bonds are hereby ratified and confirmed.

SECTION 4. (a) In the case of Notes and the Bonds issued hereunder the interest on which is contemplated to be excluded from gross income for purposes of federal income taxation, the City covenants and agrees to comply with the provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 (the "Code") and the applicable Treasury Regulations promulgated thereunder throughout the term of the Notes and the Bonds.

(b) (i) On March 19, 2001, the Council adopted Resolution No. 35248-031901 approving the Redevelopment Plan, dated February 5, 2001 (the "Redevelopment Plan"), prepared by the Authority.

(ii) The Notes and the Bonds may be issued as "qualified redevelopment bonds" pursuant to the provisions of Section 144(c) of the Code and the Treasury Regulations promulgated thereunder.

(iii) Under the provisions of the Code, in particular Section 147(f) of the Code, the issuance of the Notes and the Bonds as qualified redevelopment bonds must be approved by an "applicable elected representative" of the City after a public hearing following reasonable public notice.

(iv) In accordance with the provisions of Section 147(f) of the Code and the Treasury Regulations promulgated thereunder, a notice of public hearing was published in "*The Roanoke Times*" on March 1, 2004 and on March 8, 2004 giving notice that a public hearing on the proposed issuance of the Bonds would be held by the Council on March 15, 2004 at 7:00 P.M., local time, in the Council Chamber, Noel C. Taylor Municipal Building, 215 Church Avenue, S.W., Roanoke, Virginia 24011.

(v) The public hearing on the proposed issuance of the Notes and the Bonds was held by the Council at the time and place set forth in the notice of public hearing referred to in clause (iv).

(vi) The Council as an "applicable elected representative" of the City desires to approve the issuance of the Notes and the Bonds for purposes of Section 147(f) of the Code.

(c) In accordance with the provisions of Section 144(c) of the Code, the Council hereby ratifies its approval and adoption of the Redevelopment Plan and hereby designates the Project Area as a "designated blighted area" of the City.

(d) In accordance with the provisions of Section 147(f) of the Code, the Council as an "applicable elected representative" of the City hereby approves the issuance of the Notes and the Bonds.

SECTION 5. The City Clerk is hereby directed to file a copy of this Resolution, certified by such City Clerk to be a true copy hereof, with the Circuit Court of the

City of Roanoke, Virginia, all in accordance with Section 15.2-2607 of the Code of Virginia, 1950.

SECTION 6. All ordinances, resolutions and proceedings in conflict herewith are, to the extent of such conflict, repealed.

ATTEST:

City Clerk.